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PEANUT

#303 Marketing Quotas

On Tuesday, December 11, peanut growers will vote in a referendum on peanut marketing quotas for the next 3 years.

Under the controlling legislation, the Secretary of Agriculture must proclaim a peanut marketing quota each year unless there is a national emergency or a material increase in export demand. Whether the quotas become effective, however, will be determined by growers voting in the referendum.

If at least two-thirds of the votes are favorable, quotas will be in effect for the 1957, 1958, and 1959 crops of peanuts, and price supports will be available to "Eligible" growers (who comply with their peanut allotments) at the full level of available support. The Secretary may terminate quotas for any of these years, however, in the event of a national emergency or a material increase in export demand, or if quotas would operate to make less than a normal supply available.

If more than one-third of the voters oppose, the quotas will not be in effect for the 1957 peanut crop, and the level of available price supports will drop to 50 percent of parity. In such a case, another referendum would be held in the fall of 1957 for the following three crops.

You—whether owner, landlord, operator, tenant, or sharecropper—are eligible to vote in the referendum if you are entitled to share in the 1956-crop peanuts planted for harvest as nuts on a farm having more than 1 acre of peanuts planted.

Quotas—Allotments

The national marketing quotas for peanuts for any year is the peanut production which the Nation needs from that year's crop.

For 1957, the Secretary of Agriculture has set a national marketing quota of 725,305 tons of peanuts—the quantity sufficient to provide a national acreage allotment of 1,610,000 acres, as directed by law. This national allotment has been apportioned to peanut-producing States on the basis specified under the law.

Peanut acreage allotments for individual farms are determined on the basis of the past acreage of peanuts (taking into consideration previous acreage allotments for the farm); abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

Under a marketing quota program, the marketing of any peanuts in excess of the farm's marketing quota is subject to a penalty equal to 75 percent of the price-support level. The penalty rate is determined and applied to each pound of peanuts marketed in the same proportion that the excess acreage is of the total peanut acreage on the farm. (See example, below.)

● ● ● Quotas apply only to peanuts "picked and threshed."

● ● ● Marketing penalties do not apply unless more than 1 acre of peanuts on the farm is picked and threshed.

● ● ● Whether or not peanut marketing quotas are approved in the referendum, peanut acreage allotments will remain in effect as a means of determining eligibility for price support.

How the Program Works

Under the peanut marketing quota program—

● ● ● If the 1957 peanut acreage on your farm is not larger than the effective farm allotment, all the peanuts you produce may be marketed without penalty. All such peanuts will be eligible for price support through a Government loan or purchase program.

● ● ● If the 1957 peanut acreage on your farm is larger than the effective allotment, all the peanuts you market will be subject to a marketing penalty. None of the peanuts you produce on the farm will be eligible for price support.

For instance—

If a farm has a peanut allotment of 8 acres and the actual farm acreage is 10 acres, the percentage the excess acreage is of the total acreage would be 20 percent (since the “excess” 2 acres is 20 percent of the 10 acres total).

If the price-support level is 12 cents per pound the “basic” penalty rate on the excess peanuts (set by law at 75 percent of the support level) would be 75 percent of the 12 cents per pound, or 9 cents per pound. The penalty rate on each pound of all peanuts marketed (called the **converted** penalty rate) **in this example** would be 1.8 cents per pound (20 percent of the basic penalty rate of 9 cents per pound).

Price Support

If marketing quotas are approved by at least two-thirds of the growers voting in the peanut referendum, the law directs that price supports on the 1957, 1958, and 1959 crops of peanuts be set at a rate between 75 and 90 percent of parity as of August 1 of that particular year. The level of sup-

port will depend upon the supply at the beginning of each marketing year.

If peanut marketing quotas are not approved by the required two-thirds, the law requires that the level of support to cooperators (those growers who comply with their farm peanut acreage allotments) for the 1957 crop be set at 50 percent of parity.

Peanut Quota History

Peanut marketing quotas, as approved by growers, have been in effect each year from 1949 through 1956. Quotas were in effect for the first time for the crops produced in 1941 and 1942. Quotas were not in effect during the years 1943 through 1947 because of the national emergency and the need for oil crops. While growers approved quotas for the 1948 peanut crop, the quotas were terminated by the Secretary of Agriculture because of the world shortage of foods, fats, and oils.

In the last previous vote on peanut marketing quotas, held in December 1953, quotas for the 1954, 1955 and 1956 crops were favored by 94.3 percent of the growers voting.

FURTHER INFORMATION about peanut marketing quotas, acreage allotments, and the referendum may be obtained from your County Agricultural Stabilization and Conservation (ASC) Office or from your farmer-elected ASC County and Community Committeemen.

PEANUT MARKETING QUOTA REFERENDUM Tuesday, December 11, 1956